

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6185**

**BILL NUMBER:** HB 1057

**NOTE PREPARED:** Feb 3, 2003

**BILL AMENDED:**

**SUBJECT:** Motor Vehicle Financial Responsibility.

**FIRST AUTHOR:** Rep. Goodin

**FIRST SPONSOR:** Sen. Merritt

**BILL STATUS:** As Passed - House

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill makes operating or permitting the operation of a motor vehicle on a public highway without financial responsibility in effect for the motor vehicle a Class C misdemeanor instead of a Class A infraction. It provides that courts: (1) may; and (2) under certain circumstances, shall recommend that the driving privileges of a person who commits the offense be suspended for one year.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** The Bureau of Motor Vehicles (BMV) would suspend driving privileges under the current procedures, and this proposal would have no additional fiscal impact on them.

**Explanation of State Revenues:** This bill potentially increases revenue to the Common School Fund, but could reduce revenue that is deposited in the state General Fund. This is because fines from misdemeanors are deposited in the Common School Fund, while infraction judgements are deposited in the state General Fund. Currently, the maximum judgment for a Class A infraction is \$10,000, which is deposited into the state General Fund, while the maximum fine for a Class C misdemeanor is \$500, which is deposited into the Common School Fund.

Besides the issuance of fines, the sentencing court may assess a court fee if a guilty verdict is entered. The court fee for an infraction is \$70, while the court fee for a misdemeanor is \$120. The state receives 70% of the court fee that is assessed when a guilty verdict is entered and the fee is collected in a court of record, and 55% if a case is filed in a city or town court.

**Explanation of Local Expenditures:** Local expenditures could increase if offenders are incarcerated in local jails instead of being only fined. A Class C misdemeanor is punishable by up to 60 days in jail. The

average daily cost of housing an offender in jail is reported to be \$44. There is no term of imprisonment for an infraction.

**Explanation of Local Revenues:** Local governments could receive additional revenues from any court fees that are collected for cases that were infractions and are now misdemeanors. 27% of court fees that are collected are deposited in the county general fund when a guilty verdict is entered for a misdemeanor. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. From city and town courts, the county general fund receives 20% of the court fee while the city or town general fund receives 25%.

**State Agencies Affected:** Department of Correction; Bureau of Motor Vehicles.

**Local Agencies Affected:** Trial courts; local law enforcement agencies.

**Information Sources:** Indiana Sheriffs Association.

**Fiscal Analyst:** James Sperlik, 317-232-9866.